VZCZCXRO9082 PP RUEHBI DE RUEHLM #0744/01 2101019 ZNY CCCCC ZZH P 291019Z JUL 09 FM AMEMBASSY COLOMBO TO RUEHC/SECSTATE WASHDC PRIORITY 0289 INFO RUEHKA/AMEMBASSY DHAKA 1806 RUEHIL/AMEMBASSY ISLAMABAD 8822 RUEHKT/AMEMBASSY KATHMANDU 7061 RUEHLO/AMEMBASSY LONDON 5067 RUEHNE/AMEMBASSY NEW DELHI 3193 RUEHNY/AMEMBASSY OSLO 5024 RUEHOT/AMEMBASSY OTTAWA 1303 RUEHSM/AMEMBASSY STOCKHOLM 0564 RUEHKO/AMEMBASSY TOKYO 4131 RUEHCG/AMCONSUL CHENNAI 9414 RUEHBI/AMCONSUL MUMBAI 6715 RUEHON/AMCONSUL TORONTO 1229 RHEFDIA/DIA WASHINGTON DC RUEHGV/USMISSION GENEVA 3648 RHHMUNA/HQ USPACOM HONOLULU HI RUEHBS/USEU BRUSSELS RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 000744

SIPDIS

DEPARTMENT FOR SCA/INSB

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TAGS: PGOV PREL PREF PHUM PTER EAID MOPS CE

SUBJECT: UNP SEEKS NEW STRATEGY TO CHALLENGE RAJAPAKSA

Classified By: CHARGE D'AFFAIRES JAMES R. MOORE. REASONS: 1.4 (B, D)

(C) Summary. Poloff met recently with several key United National Party (UNP) figures to discuss the UNP,s post-war strategy. UNP contacts agreed that President Mahinda Rajapaksa is currently enjoying his post-war honeymoon, but felt that Sri Lankans would soon shift their focus to basic economic issues. UNP contacts said that current UNP Leader, Ranil Wickremasinghe, wants to contest the next presidential election, but knows it would be difficult for him to win. Many of these same contacts felt that the UNP needed someone, or a team of people, that could inspire the confidence that Ranil could not. S.B. Dissanayake was mentioned as a possible UNP presidential candidate, in part because of his popularity and ability stand up to the Rajapaksas. Dissanayake told Poloff that he would like to run for President, an election he predicted would be in February or March 2010. Dissanayake explained that the UNP had put him in charge of devising a new set of policies to reflect recent political changes in Sri Lanka. These include a shift from a federal political system with an executive president and a pro-market economy to a "unitary political system" and a "social open market economy." Dissanayake said that the UNP is planning a broad new alliance to contest future polls. UNP leaders, at least those under Ranil, seem acutely aware of the enormous challenge they face in overcoming Mahinda Rajapaksa,s overwhelming popularity. UNP leaders appear to accept that they will need new ideas and charismatic leadership to have even a chance at regaining power. Summary.

SINHALESE PUBLIC: IMMENSE GRATITUDE, BUT SHORT MEMORIES

12. (C) Poloff met recently with several key United National Party (UNP) figures to discuss the UNP,s post-war strategy. Businessman and personal friend of UNP leader Ranil Wickremesinghe, Lalin Fernando, told Poloff on July 14 that President Mahinda Rajapaksa is currently enjoying his post-war honeymoon and is "getting a pass on everything" for now. Prominent businessman and United National Party (UNP) advisor, Dinesh Weerakkody, also the son-in-law of senior UNP member of parliament (MP) John Amaratunge, told Poloff,

however, that the President,s honeymoon will run out in a few months because "Sri Lankans have very short memories."

13. (C) UNP Assistant Secretary and MP Sajith Premadasa, son of former President Ranasinghe Premadasa, in a July 17 meeting with Poloff said there is a general optimism among the public following the war and that people are waiting for an election to show their gratitude to the president. He said that 79 percent of Sri Lankans live in rural areas, are relatively poor, and are not concerned with civil liberties issues. Premadasa also noted the short memory span of Sri Lankans and said that the public would soon shift its focus from the end of the war to issues such as the cost of living, the breakdown in the education and health sectors, and unemployment. However, he said that the UNP had a poor record during its time in government from 2001 to 2004, leaving the party with little moral high ground. He said the ministers at the time were not empowered to deliver goods and services to the people. In contrast, he said, Mahinda Rajapaksa,s government not only won the war, but also has delivered on development and infrastructure. (Note Premadasa is mild-mannered, thoughtful, and wel-spoken. He was an extraordinarily polite and gacious host. Premadasa, who has a degree in international relations from the London School of Economics, comes across as more westernized than most UNP leaders. He was careful not to be self-promoting and was measured in his comments about other UNP leaders. End Note.)

WHO BEST TO CHALLENGE MAHINDA?

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- (C) Lalin Fernando acknowledged that many in the UNP were disappointed with Ranil. He said Ranil has difficulty motivating people and is unwilling to make false promises, a necessary evil in Sri Lankan politics. He said Ranil wants to contest the next presidential election, but knows it would be difficult for him to win. Fernando said that even those who voted for Ranil in past elections would be unlikely to do so again. Weerakkody said that declining support for the UNP under Ranil has resulted in a shortage of funds for any upcoming elections, including the current Uva Province campaign. He said the UNP,s funding dried up after they lost the Eastern Provincial council elections. Premadasa told Poloff that the UNP has authoritarian, autocratic leadership which has resulted in dysfunction, lethargy, and apathy within the party. He said he was trying to engineer a process to reinvigorate the party. Premadasa said that the UNP needed someone, or a team of people, that could inspire the confidence that Ranil could not, but stopped short of endorsing himself for that role.
- (C) UNP National Organizer and Central Province opposition leader S.B. Dissanayake told Poloff in a July 24 meeting that Ranil was responsible for the UNP,s failures and that his miscalculations since 2004 had led many strong UNP figures to leave and join the government. He said the party is in bad shape and needs a new face, new policies, and a new strategy to return to power. He said that under the existing party constitution, the UNP leader cannot be changed; senior leaders have tried two or three times and failed. However, he said, Ranil knows that he would lose badly against Rajapaksa and has decided not to contest the presidential election. Dissanayake said that Ranil,s top choice for UNP presidential candidate, Karu Jayasuriya, is also unpopular because he crossed over to the government and back again. (Note: Dissanayake is extremely energetic and informal. He bounded down the stairs for this meeting wearing a pastel, rainbow-plaid sarong, white tunic shirt, and no shoes. Throughout most of the meeting he sat cross-legged on his couch and bounced up and down in excitement. At one point, he grabbed a tennis racquet-shaped bug zapper and began chasing flies around the room as he talked, jumping on and off the furniture to reach them. End Note.)

- 16. (C) Weerakkody mentioned S.B. Dissanayake as a possible UNP presidential Candidate. He said that if Dissanayake ran for president he would "trash the Rajapaksas," especially with Sajith Premadasa as his running mate. Weerakkody speculated however that Rajapaksa knows that Dissanayake, because of his popularity, would be a formidable opponent and will do everything he can to keep him from running. Ranil also would find it difficult to work under Dissanayake, he said, since he is a bit of a "thug." Weerakkody said this thuggishness would allow him to compete effectively against the Rajapaksas, whereas Ranil is too "nice and gentlemanly" to hold his own. Weerakkody also noted that Dissanayake is currently working to resolve a legal matter that could prevent him from contesting the presidential election. (Note: Dissanayake had his civic rights removed and spent two years in jail after he was convicted of contempt of court in 2004. According to local press, the Commissioner of Elections maintains that he is ineligible to register as a candidate or a voter until 2011. Nonetheless, Dissanayake was elected to the Central Provincial Council in 2008 and serves as the opposition leader there. End Note.)
- 17. (C) Dissanayake told Poloff that he would like to run for President, an election he predicted would be in February or March 2010. He said that Ranil has accepted him as the UNP candidate, but is not ready to admit that publicly yet. He added that Rajapaksa considered him to be a serious

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contender and was worried that he would be chosen as the UNP,s candidate.

18. (C) Weerakkody told Poloff that Sajith Premadasa is as popular as Mahinda Rajapaksa, and certainly more popular than Ranil. He thought Sajith could get support from most of the UNP,s leadership to run for President, but said Premadasa is not ready for the job and is too "weak" and "cowardly" to compete against the Rajapaksas.

NEW POLICIES AND ALLIANCES FOR A NEW ERA

- 19. (C) Dissanayake explained that the UNP had put him in charge of devising a new set of policies to reflect recent political changes in Sri Lanka. He said that previously the UNP had advocated for a federal political system with an executive president and a pro-market economy. Now however, the UNP has proposed new policies including a "unitary political system," featuring an executive prime minister and maximum devolution to the provinces within a unitary state, and a "social open market economy," which would be a liberal economy with a focus on social welfare and workers rights. He said the government would get involved in the markets if it was necessary for "public benefit." The UNP has always promoted democracy, media freedom, minority rights, and human rights, and would continue to do so, he said.
- 110. (C) Dissanayake said that the UNP is planning a broad new alliance to contest future polls. The alliance will likely include Mangala Samaraweera,s Sri Lanka Freedom Party-Mahajana, along with other unhappy SLFP members; Mano Ganesan who has the support of urban Tamils; the Sri Lanka Muslim Congress; and some estate Tamil politicians. He said the Ceylon Workers Congress, an estate Tamil party, is undecided about the alliance because its leaders do not like Ranil. Dissanayake insisted that he could convince as many as 10 to 12 ministers from the current government to support the new UNP alliance and many more in the provinces.
- 111. (C) COMMENT: UNP leaders, at least those under Ranil, seem acutely aware of the enormous challenge they face in overcoming Mahinda Rajapaksa,s overwhelming popularity. UNP leaders seem to accept that they will need new ideas and charismatic leadership to have even a chance at regaining power. The tricky part seems to be choosing that leader. Those under Ranil seem to have accepted that he cannot be

removed and are striving, somewhat creatively, to work around him. Of note is the party,s policy shift from supporting an executive presidency to supporting an executive prime ministership, in line with what the APRC report is likely to recommend very soon to the President. This may explain Ranil,s reported willingness to consider other UNP leaders for the presidential candidate. Those in the running for that post are probably willing to accept a job they know will be downgraded for the sake of returning the party to power. Regardless, the UNP will need come to a decision on its leadership structure soon if it expects to build a campaign with any realistic chance of successfully contesting the expected presidential election. MOORE